



Keith E. Casey, Ph.D.
Vice President, Market & Infrastructure Development

June 24, 2010

Mr. Barry G. Young
Air Quality Engineering Manager
Engineering Division
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Dear Mr. Young:

The California Independent System Operator has the authority under section 41 of its tariff to designate a generating unit as needed for "reliability must-run" (RMR) service. When this occurs, the generating unit is then obligated to operate when called upon by the ISO under the terms of an RMR contract.

In your correspondence dated June 15, 2010, you asked "how likely it would be for the ISO to require one or both of the existing Contra Costa Power Plant Units 6 and 7 to continue operation beyond April 30, 2013 after the Marsh Landing Power Plant becomes operational." Your letter also explains that the Marsh Landing Generating Station is being developed at a site adjacent to the existing Contra Costa generating units. Also, the project, as defined in public documents issued by the California Energy Commission, will have capacity of 760 MW compared 680 MW of total installed capacity provided by Contra Costa Power Plant Units 6 and 7.

Contra Costa Power Plants Units 6 and 7 are not currently designated as RMR units, and we do not foresee a need for either unit after the Marsh Landing Power Plant becomes operational. I hope that this adequately responds to your inquiry. If I can provide any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Casey", is placed below the word "Sincerely,".

Keith E. Casey, Ph.D.
Vice President, Market & Infrastructure Development